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DIARY NOTES

DD/S [REDACTED]

12 January 1959

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1. At the Senior Staff Meeting the Director mentioned the recent case of an employee who persuaded his secretary to bring a car back to the United States from [REDACTED] on her travel orders and immediately upon arrival in the states turned it over to the employee who then sold it for a \$500 profit. The Director said that some disciplinary action would be taken in this case when its final study was completed; however, he also requested that a regulation be developed on a code of conduct which would warn employees against committing such irregularities. (I believe we already have the regulation fairly well developed and I would also like to take this up at one of our weekly DD/S Staff Meetings.)

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2. [REDACTED] and I met with Matt Baird and his Staff to discuss the possible reduction of manpower during Fiscal Years 1959 and 1960. The Office of Training has submitted a proposal which looks reasonable and which will provide for a 1% reduction in Fiscal Year 1959 and an additional 2% reduction in Fiscal Year 1960. In addition to this it will be possible to remove more personnel from our roles by contracting with [REDACTED] for the janitorial services [REDACTED]. However, in consideration of the fact that we are going to have to add 29 people to the Public Works Section [REDACTED] and that we are also going to have to pick up 25 contract employees under ceiling it does not appear that we will be able to effect any net reduction in OTR and, of course, this will cost more money. In this connection OTR has a serious budget problem and estimates that they are something like \$1,000,000 short for Fiscal Year 1959. I told them that I would take this up with the Comptroller and make some arrangement in the near future to see them through. (I have talked to Ed Saunders about this and told him that I wanted an early review of the situation in the DD/S Area as a whole so that we could make some definite decisions as to how we are going to finance our over-all program during this Fiscal Year.)

LKW:ecb